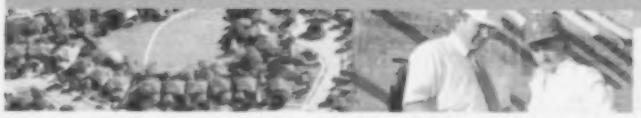
HOUSING MARKET OUTLOOK

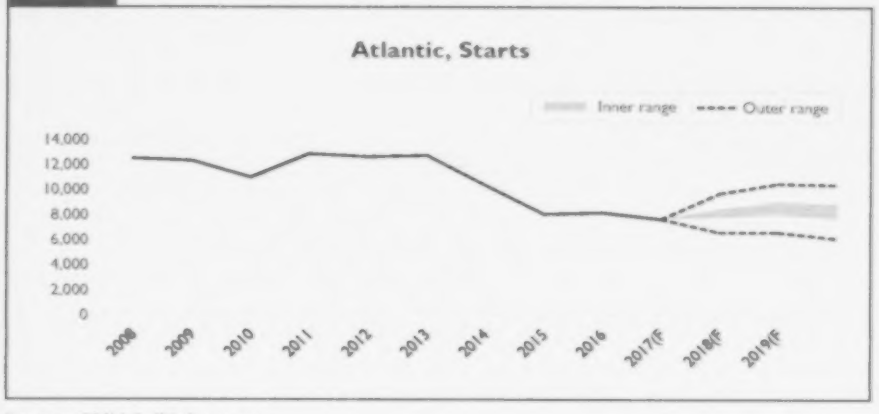
Atlantic Region Highlights



CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Fall 2017

Figure 1



Source: CMHC, (F): Forecast.

Figure 2

Source: CREA; (F): CMHC Forecast.
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Highlights[1]

- Housing starts in Atlantic Canada are expected to rise in 2017 within a range of 7,725 and 8,425 starts moving up slightly in 2018, and be in the range of 7,950 and 8,950 starts and dropping slightly in 2019 within a range of 7,520 and 8,800 starts.
- MLS® sales will rise gradually over the forecast period and range from 23,250 to 23,700 units in 2017, from 23,450 to 24,350 units in 2018 and from 23,750 to 25,000 units in 2019.
- The average price for existing homes is forecast to also rise moderately over the forecast ranging between $208,250 and $212,250 in 2017, between $210,300 and $216,900 in 2018 and from $211,925 to $221,925 in 2019.

[1] The forecasts and historical data included in this document reflect information available as of October 2, 2017.

Canada

CMHC SCHL

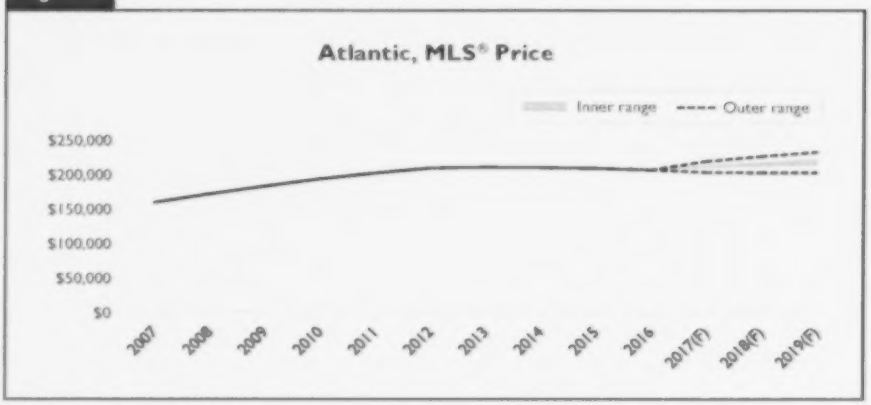
Newfoundland and Labrador

- Economic growth in Newfoundland and Labrador (NL) will remain below the pace of the other three provinces in Atlantic Canada.
- In 2018 and beyond, the province's economic future should begin to brighten, with the new Hebron offshore oilfield in production and the return of energy and resource investment activity.
- The unemployment rate is expected to remain elevated as labour force and employment pressures remain in play due to a weakening economy, capital project work completion and a lack of new project activity.
- Demand for single-detached housing will remain flat-to-declining over the forecast period as a result of a lack of growth in population, income and employment, paired with the provincial government's ongoing fiscal challenges.
- Buyer activity in the under $300,000 segment has been very strong, with buyers recognizing the economic slowdown as an opportune time to enter the market and as a result builders have shifted to providing more lower priced homes.

There is a risk to the forecast that oil prices remain depressed thereby impacting economic growth and pushing total starts and resales activity to the lower end of their current outer range(s) of 925 starts and 3,000 resales in 2018 and 900 starts and 3,050 resales in 2019.

If oil prices were to improve at a greater than expected rate this would support employment and economic growth shifting total starts and resales towards the upper end of their outer range(s) of 1,475 starts and 4,150 resales in 2018 and 1,600 starts and 4,250 resales in 2019.

Figure 3



Source: CREA; (F): CMHC Forecast.
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An increase in resales activity would eventually shift house prices to the upper end of the outer range of $272,500 in 2018 and $276,500 for 2019 as inventory levels decline.

Nova Scotia

- Over the forecast period, economic growth will rely heavily on manufacturing, where increased demand for exports and shipbuilding activity in Halifax are expected to provide a boost to economic growth.
- Employment levels are expected to grow modestly, as the province's aging population base continues to have an impact on the total size of the labour force.
- Although the number of immigrants will decline compared to the high reached in 2016, the exodus of people from Nova Scotia to elsewhere in Canada will continue to slow.
- Provincially demand for singles construction will decline slightly due to a reduction in the rural markets. This is in contrast to the Halifax CMA, where singles are expected to continue increasing significantly year-over-year.
- With rental demand from both the young professional and downsizing baby boomer segments continuing, multiples construction will stay elevated particularly concentrated on the Halifax Peninsula.
- MLS® sales are projected to increase, especially as the price gap continues to widen between the existing home and new home markets. With a steady decline in the number of active listings, average prices should continue to grow over the forecast period.

A weaker Canadian dollar could support the export sector more than expected resulting in stronger economic growth and total starts

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towards the upper end of the outer range of 5,375 starts by 2018 and 5,075 starts in 2019.

Inventory levels could decline more than expected due to a better economic outlook and population growth, resulting in a more competitive environment and higher price growth towards the upper end of the outer range of $245,500 in 2018 and $251,000 by 2019.

Employment is forecast to rise moderately over the forecast, but a reduction in currently planned investment activity would result in a decline in jobs and reduced housing demand for starts and resales to the lower end of their outer range(s) including 3,450 total starts and 8,700 resales in 2018 and 3,025 total starts and 8,525 resales in 2019.

Finally population gains could be stronger than expected due to higher international immigration resulting in upside risk to the forecast for rental demand and multiple starts resulting in starts and resales shifting to the upper end of their outer range(s) of 5,375 and 5,075 total starts in 2018 and 2019 and 11,650 and 12,125 sales in 2018 and 2019.

Prince Edward Island

- Prince Edward Island (PE) will continue to see the economy grow as exports, such as aerospace and tourism, are supported by the lower Canadian dollar.
- Construction and household spending will get a boost from higher levels of immigration helping PE become the top performing province in Atlantic Canada over the forecast period.
- Economic growth is expected to also be supported by private sector investment and job creation. Renewed job growth will eventually put modest downward pressure on the unemployment rate.
- Immigration is expected to remain at elevated levels providing support to population growth. This will greatly influence the new home construction and resale housing markets as well as the rental market.
- Tighter resale market conditions will see housing demand spillover into the new home construction market with single starts moving higher.
- After several years of muted activity, multiples starts are expected to increase as the additional supply will help meet demand from downsizing seniors and newly arrived immigrants.
- For the resale market, demand will be capped on the upside by the limited supply of resales, causing MLS® sales to plateau. Demand will also place upward pressure on the average MLS® price as competition increases for the limited supply of resale homes.

The tourism sector could see additional benefit from U.S. discretionary spending as well as Canadians remaining in Canada for vacation. If retention rates of immigrants were to improve from current levels, housing demand would also increase over time resulting in starts and resales shifting to the higher end of the outer range(s) for total starts of 1,225 and resales of 2,500 in 2018 and 1,150 total starts and 2,650 resales in 2019.

Stronger labour market conditions than currently forecast, as well as higher population growth, would provide support to MLS® sales and prices toward the upper end of the range of 2,500 and 2,650 sales and prices of $219,000 and $235,000 in 2018 and 2019 respectively.

At the same time if PE employment or population growth were to weaken more than expected, this would shift resales and starts toward the lower end of the outer range(s) for total starts of 675 and resales of 1,700 in 2018 and 650 total starts and 1,650 resales in 2019.

New Brunswick

- Canada's most export dependent province will continue to benefit from a low Canadian dollar.
- A strengthening US housing sector combined with rebuilding efforts following hurricanes Harvey and Irma, should support softwood exports over the near term into 2018.
- Additionally, industries that provide services to the rest of Canada, such as tourism and contact centres, will continue to benefit from a strengthened Canadian economy.
- New Brunswick's growing economy and shrinking labour force have encouraged employers to use more full-time labour. While total employment has fallen over the past three years, the expectation is that stronger economic growth will return New Brunswick to positive employment growth over the forecast period.
- This trend toward more full-time employment also means that real wages will continue to grow. These factors will stimulate demand for most housing types in the province except apartments.
- Apartment construction will remain range bound as vacancy rates remain elevated

in some markets holding back the possibility of higher levels of activity.

- At the same time expect to also see a return of higher density home construction, particularly in Moncton's semi-detached and row market.
- After several years of record high levels of new listings, the existing home market has recently seen a drop in the number of homes available for sale and as a result prices moved higher in 2017.
- The reduction in available supply and stronger economic growth will keep resales and prices increasing over the forecast.

New home construction activity could see increased competition beyond what is expected from the existing home market as baby boomers continue to sell their homes. As a result, housing starts would shift to the lower end of the outer range for total starts of 1,455 in 2018 and 1,450 in 2019.

Greater private sector investment would support the forecast resulting in resales and prices shifting to the upper end of the current outer range(s) for resales of 8,925 and 9,225 and prices of $179,500 and $184,650 in 2018 and 2019 respectively.

Weaker economic growth would dampen overall sales activity and prices toward the lower end of the outer range(s) for resales of 7,175 in both 2018 and 2019 and prices of $162,750 and $164,000 in 2018 and 2019 respectively.

Mortgage rates are expected to rise gradually over the forecast horizon

Mortgage rates are expected to rise modestly over the period 2017-2019. This increase is consistent with the expected improvement in domestic economic conditions and the predicted increase in world interest rates.

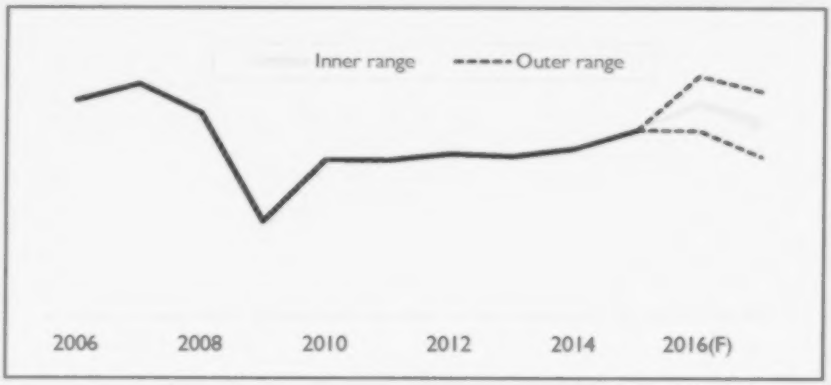
In our baseline scenario, the posted 5-year mortgage rate is expected to lie within the 4.9%-5.7% range in 2018 and within the 5.2%-6.2% range in 2019. Hence, the expected increase in this rate over 2017-2019 should be at most 160 basis points. Over our forecast horizon, mortgage rates are expected to stay below levels observed prior to the Great Recession.

Methodology for forecast ranges

The present edition of *Housing Market Outlook* incorporates forecast ranges for housing variables. Despite this change, all analyses and forecasts of market conditions continue to be conducted using the full range of quantitative and qualitative tools currently available. Two sets of ranges are presented in the publication:

- An inner range, which provides more precise guidance to readers on the outlook while recognizing the small random components of the relationship between the housing market and its drivers. This inner range is based on the coefficient of variation* of historical data and on past forecast accuracy. This range provides precision and direction for forecasts of housing variables, given a specific set of assumptions for the market conditions and underlying economic fundamentals.
- An outer range, which reflects potential risks to the forecast due to, for example, the impact of economic shocks. The outer range is based on a broader coefficient of variation of historical data and on past forecast accuracy. This range includes some low-probability events that could have a significant impact on the forecast.

Downward (or upward) adjustments to the ranges may be applied based on local market intelligence if there are more sources of risks (upside or downside) for that specific market.



* The coefficient of variation in this case is the standard deviation divided by the mean of that series. A higher coefficient of variation would produce wider ranges due to the higher volatility of the data, while a lower coefficient of variation would produce tighter ranges.

Forecast Summary
Newfoundland and Labrador
Fall 2017

	2014	2015	2016	2017(F)		2018(F)		2019(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	1,670	1,271	1,108	800	850	825	875	825	925
Multiples	449	426	290	275	375	300	400	300	450
Starts - Total	2,119	1,697	1,398	1,075	1,225	1,125	1,275	1,125	1,375
Resale Market									
MLS® Sales	4,156	4,248	4,080	3,475	3,525	3,500	3,650	3,600	3,800
MLS® Average Price($)	284,521	276,199	257,961	245,000	261,000	243,000	263,500	241,000	266,000
Economic Overview									
Mortgage Rate(5 year)(%)	4.88	4.67	4.66	4.60	5.00	4.90	5.70	5.20	6.20

	2014	2015	2016	2017(F)	2018(F)	2019(F)
Rental Market						
October Vacancy Rate (%)	4.6	4.7	7.9	8.5	8.0	7.5
Two-bedroom Average Rent (October)($)	888	923	958	925	930	935
Economic Overview						
Population	528,731	529,469	530,618	528,000	526,500	525,000
Annual Employment Level	238,600	236,200	232,600	223,200	222,300	221,200
Net Migration	698	1,509	1,171	500	500	500
Average Weekly Earnings ($)	966	954	943	969	974	979

Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

Rental Market: Corresponds to universe of privately initiated rental apartment structures of three units and over. Historical and forecast values are an aggregate roll-up of the Census Metropolitan Area (CMA) historical data and forecasts from each province.

The forecasts (F) included in this document are based on information available as of 2nd October 2017. (L)=Low end of Range,(H)=High end of range.

It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.

Source: CMHC (Starts and Completions Survey and Market Absorption Survey). Statistics Canada. CREA(MLS®). CMHC Forecast (2017-2019).

Forecast Summary
Prince Edward Island
Fall 2017

	2014	2015	2016	2017(F)		2018(F)		2019(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	292	286	305	475	525	425	475	475	525
Multiples	219	272	251	250	350	400	600	325	475
Starts - Total	511	558	556	725	875	825	1,075	800	1,000
Resale Market									
MLS® Sales	1,410	1,653	2,018	2,000	2,100	2,025	2,175	2,025	2,275
MLS® Average Price($)	162,570	161,370	178,603	193,000	197,000	204,000	211,000	215,000	225,000
Economic Overview									
Mortgage Rate(5 year)(%)	4.88	4.67	4.66	4.60	5.00	4.90	5.70	5.20	6.20

	2014	2015	2016	2017(F)	2018(F)	2019(F)
Rental Market						
October Vacancy Rate (%)	5.9	4.2	1.7	0.5	0.4	0.8
Two-bedroom Average Rent (October)($)	836	830	872	910	950	975
Economic Overview						
Population	146,277	147,238	150,099	151,500	153,500	155,500
Annual Employment Level	74,000	73,200	71,500	73,300	74,200	75,000
Net Migration	783	1,291	2,577	1,900	1,800	1,900
Average Weekly Earnings ($)	759	776	784	799	814	830

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Source: CMHC (Starts and Completions Survey and Market Absorption Survey), Statistics Canada, CREA(MLS®), CMHC Forecast (2017-2019).

Forecast Summary Nova Scotia Fall 2017									
	2014	2015	2016	2017(F)		2018(F)		2019(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	1,355	1,350	1,656	1,600	1,650	1,620	1,700	1,525	1,675
Multiples	1,701	2,475	2,111	2,500	2,700	2,575	2,925	2,250	2,650
Starts - Total	3,056	3,825	3,767	4,100	4,350	4,195	4,625	3,775	4,325
Resale Market									
MLS® Sales	8,939	9,216	9,939	10,000	10,160	10,075	10,275	10,175	10,475
MLS® Average Price($)	214,983	219,340	221,161	230,000	232,000	232,000	237,000	232,500	241,500
Economic Overview									
Mortgage Rate(5 year)(%)	4.88	4.67	4.66	4.60	5.00	4.90	5.70	5.20	6.20

	2014	2015	2016	2017(F)	2018(F)	2019(F)
Rental Market						
October Vacancy Rate (%)	3.8	3.4	2.6	2.8	3.0	3.3
Two-bedroom Average Rent (October)($)	1,005	1,048	1,063	1,125	1,175	1,225
Economic Overview						
Population	942,840	943,690	951,345	956,500	959,700	962,500
Annual Employment Level	447,600	448,100	446,200	448,900	450,100	451,500
Net Migration	-92	2,971	7,604	5,000	4,300	4,100
Average Weekly Earnings ($)	812	820	844	859	876	892

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Source: CMHC (Starts and Completions Survey and Market Absorption Survey), Statistics Canada, Nova Scotia Association of REALTORS®, CMHC Forecast (2017-2019).

Forecast Summary New Brunswick Fall 2017									
	2014	2015	2016	2017(F)		2018(F)		2019(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	1,192	1,119	1,033	975	1,025	1,065	1,125	1,085	1,175
Multiples	1,084	876	805	850	950	740	850	735	925
Starts - Total	2,276	1,995	1,838	1,825	1,975	1,805	1,975	1,820	2,100
Resale Market									
MLS® Sales	6,273	6,682	7,427	7,775	7,925	7,850	8,250	7,950	8,450
MLS® Average Price($)	161,803	160,400	162,716	167,750	169,250	169,500	172,750	171,650	177,000
Economic Overview									
Mortgage Rate(5 year)(%)	4.88	4.67	4.66	4.60	5.00	4.90	5.70	5.20	6.20

	2014	2015	2016	2017(F)	2018(F)	2019(F)
Rental Market						
October Vacancy Rate (%)	8.2	7.4	6.5	5.8	5.8	5.6
Two-bedroom Average Rent (October)($)	757	762	782	799	807	817
Economic Overview						
Population	755,076	754,499	758,606	760,200	762,600	764,700
Annual Employment Level	353,900	351,800	351,500	352,300	353,400	354,300
Net Migration	-771	370	3,592	2,200	2,400	2,050
Average Weekly Earnings ($)	781	809	821	842	870	896

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Rental Market: Privately initiated rental apartment structures of three units and over. Historical and forecast values are an aggregate roll-up of the CMA historical data and forecasts from each province. NB includes Fredericton (CA).

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Source: CMHC (Starts and Completions Survey and Market Absorption Survey), Statistics Canada, CREA(MLS®), CMHC Forecast (2017-2019).

Atlantic Region Economic and Housing Indicators

		Labour Market			Housing Market				
		Emp. Growth (%)	Unemp. Rate (%)	Average Weekly Earnings ($)	Total Starts	Single-Detached Starts	Multiple Starts	MLS® Sales	MLS® Average Price ($)
St. John's	Q2 2017	-7.4	7.8	982	164	106	58	550	303,356
	Q2 2016	2.2	6.8	941	232	181	51	705	308,759
	Change	-9.7	1.0	4.3%	-29.3	-41.4	13.7	-22.0	-1.7
Charlottetown	Q2 2017	7.4	5.8	n/a	174	86	88	244	248,236
	Q2 2016	0.8	7.3	n/a	108	48	60	238	232,683
	Change	6.6	-1.5	-	61.1	79.2	46.7	2.5	6.7
Halifax	Q2 2017	-1.1	6.9	880	796	201	595	1,886	304,264
	Q2 2016	3.0	5.5	881	582	160	422	1,682	291,657
	Change	-4.1	1.4	-0.1%	36.8	25.6	41.0	12.1	4.3
Fredericton	Q2 2017	-1.5	6.1	n/a	63	37	26	781	194,579
	Q2 2016	2.6	10.1	n/a	136	37	99	746	194,361
	Change	-4.1	-4.0	-	-53.7	0.0	-73.7	4.7	0.1
Moncton	Q2 2017	-3.3	5.0	861	208	78	130	920	174,050
	Q2 2016	1.2	7.5	785	159	89	70	790	167,260
	Change	-4.4	-2.5	9.6%	30.8	-12.4	85.7	16.5	4.1
Saint John	Q2 2017	2.8	6.3	863	46	46	0	579	183,696
	Q2 2016	-1.1	7.8	822	51	48	3	576	171,653
	Change	3.9	-1.5	5.0%	-9.8	-4.2	-100.0	0.5	7.0
Newfoundland and Labrador	Q2 2017	-4.9	14.4	976	310	215	95	977	256,889
	Q2 2016	0.4	12.0	937	390	310	80	1,166	262,303
	Change	-5.3	2.4	4.2%	-20.5	-30.6	18.8	-16.2	-2.1
Prince Edward Island	Q2 2017	4.3	9.5	808	246	144	102	611	200,746
	Q2 2016	-2.3	10.4	786	157	75	82	612	187,059
	Change	6.7	-0.9	2.7%	56.7	92.0	24.4	-0.2	7.3
Nova Scotia	Q2 2017	0.5	8.2	850	1,149	386	763	3,391	245,560
	Q2 2016	0.3	8.0	834	987	462	525	3,147	226,760
	Change	0.2	0.2	1.9%	16.4	-16.5	45.3	7.8	8.3
New Brunswick	Q2 2017	0.4	8.4	839	506	280	226	2,501	177,277
	Q2 2016	-0.5	10.0	809	508	300	208	2,317	172,289
	Change	0.9	-1.6	3.8%	-0.4	-6.7	8.7	7.9	2.9
Atlantic Region	Q2 2017	n/a	n/a	n/a	2,211	1,025	1,186	7,480	220,548
	Q2 2016	n/a	n/a	n/a	2,042	1,147	895	7,242	211,700
	Change	-	-	-	8.3	-10.6	32.5	3.3	4.2
Canada	Q2 2017	1.7	6.5	947	55,085	21,499	33,586	166,363	531,144
	Q2 2016	0.7	6.9	939	53,286	19,826	33,460	177,752	506,217
	Change	1.1	-0.5	0.9%	3.4	8.4	0.4	-6.4	4.9

Changes to the Employment Growth and Unemployment Rate represent the absolute difference between current rates and the rates for the same period in the previous year. Average Weekly Earnings is the 3 month moving average of the last month in the quarter.

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

n/a: Not Available

Source: CMHC (Starts and Completions Survey). Statistics Canada. CREA(MLS®). Newfoundland and Labrador Association of REALTORS®. Prince Edward Island Real Estate Association. Nova Scotia Association of REALTORS®

Atlantic Region Housing Forecast - New Construction

	Housing Starts	2016	2017(F)		2018(F)		2019(F)	
			(L)	(H)	(L)	(H)	(L)	(H)
St. John's	Single-Detached	625	425	475	440	480	450	490
	Multiples	208	210	240	215	245	210	260
	Starts - Total	833	635	715	655	725	660	750
Charlottetown	Single-Detached	139	245	275	225	255	260	300
	Multiples	173	230	270	350	450	230	310
	Starts - Total	312	475	545	575	705	490	610
Halifax	Single-Detached	567	675	725	720	760	675	725
	Multiples	1,738	2,000	2,200	2,175	2,525	1,875	2,225
	Starts - Total	2,305	2,675	2,925	2,895	3,285	2,550	2,950
Fredericton	Single-Detached	152	185	195	200	220	205	225
	Multiples	231	200	220	160	200	180	220
	Starts - Total	383	385	415	360	420	385	445
Moncton	Single-Detached	240	220	240	230	250	235	265
	Multiples	383	410	470	340	420	330	400
	Starts - Total	623	630	710	570	670	565	665
Saint John	Single-Detached	131	150	170	160	180	175	225
	Multiples	20	50	70	85	115	80	120
	Starts - Total	151	200	240	245	295	255	345

The forecasts (F) included in this document are based on information available as of 2nd October 2017. (L)=Low end of Range (H)=High end of range.

It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.

Source: CMHC (Starts and Completions Survey and Market Absorption Survey). CMHC Forecast (2017-2019).

Atlantic Region Housing Forecast - Resale Market

		2016	2017(F)		2018(F)		2019(F)	
			(L)	(H)	(L)	(H)	(L)	(H)
St. John's	MLS® Sales	2,600	2,200	2,300	2,225	2,375	2,300	2,500
	MLS® Average Price($)	307,323	294,000	309,000	291,000	312,500	288,000	316,000
Charlottetown	MLS® Sales	812	775	875	775	925	750	1,000
	MLS® Average Price($)	226,868	249,000	251,000	267,000	273,000	280,000	290,000
Halifax	MLS® Sales	5,114	5,250	5,330	5,275	5,425	5,300	5,530
	MLS® Average Price($)	287,074	291,000	297,000	297,500	306,500	301,500	314,500
Fredericton	MLS® Sales	2,024	2,100	2,150	2,120	2,200	2,150	2,290
	MLS® Average Price($)	180,707	180,500	181,700	183,500	186,500	186,500	190,000
Moncton	MLS® Sales	2,679	2,775	2,865	2,825	2,975	2,850	3,050
	MLS® Average Price($)	164,002	171,250	174,750	175,500	180,500	179,500	184,500
Saint John	MLS® Sales	1,916	1,975	2,085	2,000	2,150	2,025	2,225
	MLS® Average Price($)	168,221	177,750	180,250	180,000	186,000	182,000	192,000

Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

The forecasts (F) included in this document are based on information available as of 2nd October 2017

(L)=Low end of Range (H)=High end of range

Source: CREA(MLS®), Newfoundland and Labrador Association of REALTORS®, Prince Edward Island Real Estate Association, Nova Scotia Association of REALTORS®, CMHC Forecast (2017-2019)

Atlantic Region Housing Forecast - Rental Market					
		2016	**2017(F)**	**2018(F)**	**2019(F)**
St. John's	October Vacancy Rate (%)	7.9	8.5	8.0	7.5
	Two-bedroom Average Rent (October)($)	958	925	930	935
Charlottetown	October Vacancy Rate (%)	1.7	0.5	0.4	0.8
	Two-bedroom Average Rent (October)($)	872	910	950	975
Halifax	October Vacancy Rate (%)	2.6	2.8	3.0	3.3
	Two-bedroom Average Rent (October)($)	1,063	1,125	1,175	1,225
Fredericton	October Vacancy Rate (%)	4.4	4.8	4.6	4.4
	Two-bedroom Average Rent (October)($)	837	860	865	875
Moncton	October Vacancy Rate (%)	6.0	4.5	5.0	5.0
	Two-bedroom Average Rent (October)($)	798	815	825	835
Saint John	October Vacancy Rate (%)	8.5	8.0	7.5	7.1
	Two-bedroom Average Rent (October)($)	720	730	740	750

Rental Market: Privately initiated rental apartment structures of three units and over

The forecasts (F) included in this document are based on information available as of 2nd October 2017.

Source: CMHC (Rental Market Survey), CMHC Forecast (2017-2019)

DEFINITIONS AND METHODOLOGY

New Home Market

Historical home starts numbers are collected through CMHC's monthly Starts and Completions Survey. Building permits are used to determine construction sites and visits confirm construction stages. A start is defined as the beginning of construction on a building, usually when the concrete has been poured for the whole of the structure's footing, or an equivalent stage where a basement will not be part of the structure.

Single-Detached Start:
The start of a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure.

Semi-Detached Start:
The start of each of the dwellings in a building containing two dwellings located side-by-side, adjoining no other structure and separated by a common or party wall extending from ground to roof.

Row (or Townhouse) Start:
Refers to the commencement of construction on a dwelling unit in a row of three or more attached dwellings separated by a common or party wall extending from ground to roof.

Apartment and other Starts:
Refers to the commencement of construction on all dwellings other than those described above, including structures commonly known as stacked townhouses, duplexes, triplexes, double duplexes and row duplexes.

Average and Median Single Detached Home Prices:
Are estimated using CMHC's Market Absorption Survey, which collects home prices at absorption and measures the rate at which units are sold or rented after they are completed. Dwellings are enumerated each month after a structure is completed until full absorption occurs. The term "absorbed" means that a housing unit is no longer on the market as it has been sold or rented.

New Home Price Indexes:
Changes in the New Home Price Indexes are estimated using annual averages of Statistics Canada's monthly values for New Housing Price Indexes (NHPI).

Resale Market

Historical resale market data in the summary tables of the Housing Market Outlook Reports refers to residential transactions through the Multiple Listings Services (MLS®) as reported by The Canadian Real Estate Association (CREA). In Quebec, this data is obtained by the Centris® listing system via the Quebec Federation of Real Estate Boards.

MLS® (Centris® in the province of Quebec) Sales:
Refers to the total number of sales made through the Multiple Listings Services in a particular year.

MLS® (Centris® in the province of Quebec) Average Price:
Refers to the average annual price of residential transactions through the Multiple Listings Services.

Rental Market

Rental Market vacancy rates and two bedroom rents information is from Canada Mortgage and Housing Corporation's (CMHC's) October Rental Market Survey (RMS). Conducted on a sample basis in all urban areas with populations of 10,000 and more, the RMS targets privately initiated structures with at least three rental units, which. have been on the market for at least three months. The survey obtains information from owners, managers, or building superintendents through a combination of telephone interviews and site visits.

Vacancy Rate:
The vacancy rate refers to the average vacancy rate of all apartment bedroom types. A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Two Bedroom Rent:
The rent refers to the average of the actual amount tenants pay for two bedroom apartment units. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water.

Economic Overview

Labour Force variables include the Annual Employment Level, Employment Growth, Unemployment Rate.
Source: Statistics Canada's Labour Force Survey.

Net Migration:
Sum of net interprovincial (between provinces), net intra-provincial (within provinces), net international (immigration less emigration), returning Canadians and temporary (non-permanent) residents as provided to the CANSIM database by Statistics Canada's Demography Division. Sources of inter-provincial and intra-provincial migration data include a comparison of addresses from individual income tax returns for two consecutive years from Canada Revenue Agency (CRA) taxation records. The migration estimates are modelled, with the tax file results weighted to represent the whole population.

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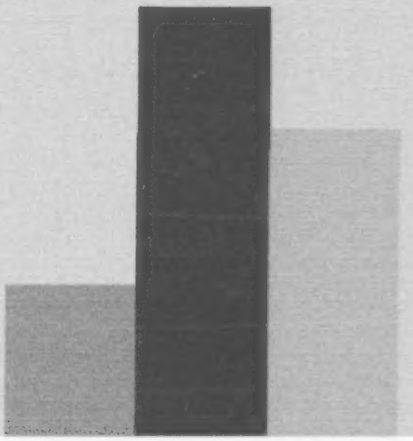

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- Housing Information Monthly
- Housing Market Assessment
- Housing Market Insight
- Housing Now Tables
- Housing Market Outlook, Canada
- Housing Market Outlook, Highlight Reports – Regional and Northern
- Housing Market Outlook, Canada and Major Centres
- Housing Market Tables: Selected South Central Ontario Centres
- Preliminary Housing Starts Data
- Rental Market Reports, Canada and Provincial Highlights
- Rental Market Reports, Major Centres
- Residential Construction Digest, Prairie Centres
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